

**Introduced by Senators Wiener and Atkins**

January 17, 2017

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An act to add Part 13.5 (commencing with Section 31001) to Division 2 of, and to repeal the heading of Part 13.5 (commencing with Section 31020) to Division 2 of, the Revenue and Taxation Code, relating to cannabis, and making an appropriation therefor.

**LEGISLATIVE COUNSEL'S DIGEST**

SB 148, as introduced, Wiener. State Board of Equalization: counties: state agencies: collection of cash payments: cannabis-related businesses.

Existing law, the Compassionate Use Act of 1996, an initiative measure enacted by the approval of Proposition 215 at the November 5, 1996, statewide general election, exempts from specified criminal penalties the possession or cultivation of medical marijuana by patients and primary caregivers. The Control, Regulate and Tax Adult Use of Marijuana Act of 2016, an initiative measure enacted by the approval of Proposition 64 at the November 8, 2016, statewide general election, provides for the licensure and regulation of commercial adult marijuana activities by various state agencies. The Medical Cannabis Regulation and Safety Act provides for the licensure and regulation of commercial medical cannabis activity by various state entities.

This bill would enact the Cannabis State Payment Collection Law and would authorize the State Board of Equalization or a county to collect cash payments from cannabis-related businesses for a state agency that administers any fee, fine, penalty, or other charge payable by a cannabis-related business, if that state agency has entered into an agreement with the board or county. This bill would require a county to collect only if both the board of supervisors of the county and the county tax collector or county treasurer-tax collector approves of

entering into an agreement with a state agency to make those collections. The bill would require the agreement to include specified provisions, including that the board or county transmit the collected moneys to the Treasurer to be deposited in the State Treasury to the credit of the funds or accounts in which the fees, fines, penalties, taxes, or other charges are otherwise required by law to be deposited, as specified.

For the collection by the board or a county of regulatory fees on the behalf of a state agency pursuant to an agreement, this bill would continuously appropriate to the board or county an amount equal to the amount necessary for its costs of collection, not to exceed 10% of the amounts collected, from the funds or accounts in which those regulatory fees are to be deposited. For the collection by the board or a county of fees, fines, penalties, taxes, or other charges on behalf of a state agency pursuant to an agreement, the bill would require the board or county to be reimbursed for its costs of collection from the funds or accounts in which those fees, fines, penalties, taxes, or other charges are to be deposited, not to exceed 10% of the amounts collected, upon appropriation by the Legislature.

This bill would also allow a state agency that enters into an agreement with the board or a county to impose a cash collection fee in an amount reasonably necessary to recover the collection costs to be incurred by the board or county in dealing with cash payments, not to exceed 10% of any amounts collected. The bill would require the cash collection fee to be determined by the state agency, and would require any cash collection fees to be deposited into the funds or accounts in which the fees, fine, penalty, or other charge to be collected is deposited.

Vote: majority. Appropriation: yes. Fiscal committee: yes.  
State-mandated local program: no.

*The people of the State of California do enact as follows:*

1 SECTION 1. The heading of Part 13.5 (commencing with  
2 Section 31020) of Division 2 of the Revenue and Taxation Code  
3 is repealed.

4  
5 ~~PART 13.5. COMMERCIAL CANNABIS DISTRIBUTION~~  
6 ~~REPORTING~~  
7

8 SEC. 2. Part 13.5 (commencing with Section 31001) is added  
9 to Division 2 of the Revenue and Taxation Code, to read:

1 PART 13.5. CANNABIS STATE PAYMENT COLLECTION  
2 LAW  
3

4 31001. This part shall be known, and may be cited, as the  
5 Cannabis State Payment Collection Law.

6 31002. All of the following definitions shall apply for purposes  
7 of this part:

8 (a) “County” means a county and a city and county.

9 (b) “Regulatory fee” means a charge as defined in paragraph  
10 (3) of subdivision (b) of Section 3 of Article XIII A of the  
11 California Constitution.

12 (c) “State agency” means a state entity, as defined in Section  
13 11000 of the Government Code, that administers any fee, fine,  
14 penalty, or other charge payable by a cannabis-related business.  
15 As used in this part, “state agency” includes, but is not limited to,  
16 the following:

17 (1) The Bureau of Marijuana Control.

18 (2) The Department of Consumer Affairs.

19 (3) The Department of Fish and Wildlife.

20 (4) The Department of Food and Agriculture.

21 (5) The Department of Pesticide Regulation.

22 (6) The Employment Development Department.

23 (7) The Franchise Tax Board.

24 (8) The regional water boards described in Chapter 4  
25 (commencing with Section 13200) of Division 7 of the Water  
26 Code.

27 (9) The State Department of Public Health.

28 (10) The State Water Resources Control Board.

29 31003. (a) The board or a county may enter into an agreement  
30 with a state agency to collect cash payments for any fee, fine,  
31 penalty, or other charge payable to the state agency by a person  
32 that is a cannabis-related business in accordance with provisions  
33 of this part.

34 (b) (1) The board shall collect fees, fines, penalties, and other  
35 charges if the board enters into an agreement with a state agency  
36 to make those collections described in subdivision (a).

37 (2) A county shall collect fees, fines, penalties, and other charges  
38 only if both the board of supervisors of the county and the county  
39 tax collector or county treasurer-tax collector approves of entering

1 into an agreement with a state agency to make those collections  
2 described in subdivision (a).

3 (c) (1) For the collection by the board or a county of regulatory  
4 fees on the behalf of a state agency pursuant to an agreement  
5 authorized by this part, the board or county shall be reimbursed  
6 for its costs of collection from the funds or accounts in which those  
7 regulatory fees are to be deposited, not to exceed 10 percent of the  
8 amounts collected. Notwithstanding Section 13340 of the  
9 Government Code, there is hereby continuously appropriated to  
10 the board or county an amount equal to the amount necessary for  
11 its costs of collection of regulatory fees on the behalf of a state  
12 agency pursuant to an agreement authorized by this part, not to  
13 exceed 10 percent of the amounts collected, from the funds or  
14 accounts in which those regulatory fees are to be deposited.

15 (2) For the collection by the board or a county of fines, penalties,  
16 taxes, or other charges on the behalf of a state agency pursuant to  
17 an agreement authorized by this part, the board or county shall be  
18 reimbursed for its costs of collection from the funds or accounts  
19 which those fines, penalties, taxes, or other charges are to be  
20 deposited, not to exceed 10 percent of the amounts collected, upon  
21 appropriation by the Legislature.

22 (d) (1) A state agency that enters into an agreement with the  
23 board or a county pursuant to the authorization of this part may  
24 impose a cash collection fee in an amount reasonably necessary  
25 to recover the collection costs to be incurred by the board or county  
26 in dealing with cash payments, which may include, but are not  
27 limited to, the costs of processing and securing the cash payments,  
28 but shall not exceed 10 percent of any amounts collected.

29 (2) The amount of the cash collection fee shall be determined  
30 by the state agency and the board or county.

31 (3) A cash collection fee shall not be imposed pursuant to this  
32 subdivision if the fine, penalty, or other charge already includes  
33 amounts reasonably necessary to recover the collection costs of  
34 cash payments.

35 (4) Any cash collection fees imposed shall be deposited into  
36 the funds or accounts which the fine, penalty, or other charge to  
37 be collected is deposited.

38 (5) This subdivision does not authorize a cash collection fee to  
39 be imposed for the collection of a tax, as defined in Section 3 of  
40 Article XIII A of the California Constitution.

1 (e) An agreement between the board or a county and a state  
2 agency shall include all of the following:

3 (1) A provision that the board or county be reimbursed for the  
4 administrative costs of the collection from the funds or accounts  
5 which the fees, fines, penalties, taxes, or other charges are  
6 otherwise required by law to be deposited, and shall specify  
7 whether that reimbursement is continuously appropriated or made  
8 upon appropriation by the Legislature, as described in subdivision  
9 (c).

10 (2) A provision that the board or county transmit the collected  
11 moneys to the Treasurer to be deposited in the State Treasury to  
12 the credit of the funds or accounts which the fees, fines, penalties,  
13 taxes, or other charges are otherwise required by law to be  
14 deposited.

15 (3) A provision that describes the administrative costs the board  
16 or county will incur in carrying out the collection, which costs  
17 shall not exceed 10 percent of the moneys collected.

18 (4) If the state agency decides to impose a cash collection fee  
19 pursuant to subdivision (d), the amount of the cash collection fee  
20 and how that amount was determined by the state agency and the  
21 board or county.

22 (5) Any other provisions the board or county and state agency  
23 determines is necessary to properly implement the collection of  
24 the fees, fines, penalties, taxes, or other charges.